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SUBJECT: PRESIDENT YUDHOYONO PONDERES CABINET PICKS

REF: A. JAKARTA 1399

[1](#)B. JAKARTA 69 AND PREVIOUS

Classified By: Pol/C Joseph L. Novak, reasons 1.4(b+d).

[1](#)1. (C) SUMMARY: Indonesia is abuzz with speculation about President Yudhoyono's upcoming Cabinet appointments, which are slated to be announced after his October 20 inauguration. Some observers worry that inclusivist Yudhoyono will barter 2009 Cabinet positions for party support as he did in 2004. Most analysts point out, however, that Yudhoyono, fresh from a landslide re-election victory, is now better placed to recruit more technocrats. Yudhoyono has indicated he would offer Opposition parties Cabinet slots if they climb on board and join his parliamentary coalition. The swirl of rumors is bound to continue in coming weeks until Yudhoyono makes public his choices. END SUMMARY.

CABINET ANNOUNCEMENTS EXPECTED AFTER INAUGURATION

[1](#)2. (C) Indonesia is abuzz with speculation about President Yudhoyono's upcoming Cabinet appointments. Based on Mission's soundings, President Yudhoyono is slated to announce his Cabinet picks after he is inaugurated for a second term on October 20. Yudhoyono has announced that he is considering more than 100 candidates for roughly 40 Cabinet positions. He has also said he will not be conducting official interviews until after the next Parliament is sworn in on October 1. He is also contemplating revising the current Cabinet structure, which has been criticized as too large and unwieldy for efficient decision-making.

TECHNOCRATS OR POLITICS AS USUAL?

[1](#)3. (C) Yudhoyono, known for his inclusivist tendencies and dislike of discord, bartered about half of the 36 positions in his current Cabinet to other parties in order to form a (weak) working majority in Parliament. Critics have pointed out that Yudhoyono's pandering to party politics did not ensure buy-in in the Parliament (DPR) for his reform agenda. They have also criticized the current Cabinet for containing representatives of various vested and political interests.

[1](#)4. (C) Yudhoyono, fresh from his landslide re-election by over 60% of the electorate and his party's solid showing in the April parliamentary elections, is now better-placed to fill his Cabinet with reform-minded technocrats than in 2004. Cabinet members in Indonesia are vital players in reform efforts since they, not lower level officials, are often the source of reform initiatives. Analysts see his unexpected pick of non-partisan professional economist Boediono (one name only) as his vice presidential choice as promising for future reform-oriented picks for the Cabinet. Moreover, as Yudhoyono deliberates Cabinet possibilities, Boediono has

reportedly been a key sounding board. All that said, Yudhoyono's recent presidential campaign cost millions and he needs to pay back key contributors.

OPPOSITION -- IN OR OUT OF THE CABINET?

15. (C) President Yudhoyono is also working hard to bring Opposition elements into his coalition--and a key lure for that effort is Cabinet slots. Megawati Sukarnoputri who leads the Indonesian Democratic Party of Struggle (PDI-P) has staunchly resisted joining the President's coalition. However, her husband, powerful PDI-P patron Taufik Kiemas, seems inclined to join forces with the government. PDI-P will be a harder sell than the Golkar Party. There are indications that Golkar will be happy to join Yudhoyono's Cabinet if offered the right opportunities.

16. (C) Yudhoyono's allies in the Islamic-oriented parties (PKS, PPP, PAN, and PKB) also expect to be rewarded for their support of Yudhoyono's campaign. According to contacts, some members of these parties have strongly opposed the idea that parties which have opposed Yudhoyono may now be rewarded with Cabinet seats.

17. (C) The Prosperous Justice Party (PKS), which hopes to maintain its current three Cabinet slots and possibly gain one, has also been displeased with the possibility that Yudhoyono might support PDI-P member Taufik Kiemas as Speaker of the People's Consultative Assembly (MPR). (Note: The current MPR Speaker, Hidayat Nur Wahid, is a PKS member. The MPR serves as an upper house of parliament, but only has symbolic influence.) Some pundits note, however, that

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Yudhoyono might want to bring Golkar or even PDI-P into the fold as a counterbalance to PKS influence.

POSSIBLE PLAYERS FOR TOP POSITIONS

18. (SBU) Most analysts concur that President Yudhoyono will probably give the top positions in the Cabinet to technocrats or candidates with professional expertise. These include the three key coordinating ministry positions, the position of State Secretary, Foreign and Defense Ministry positions, Home Ministry, Finance and Trade Ministry positions, and Health and Education.

19. (C) Some of those currently in the Cabinet, particularly the successful technocrats, will probably remain in the same or related positions. For example, widely admired technocrat Finance Minister Sri Mulyani Indrawati, currently also holding down the economic portfolio, is rumored to be the front runner for Coordinating Minister of the Economy or Finance Minister again. Fellow technocrat Mari Pangestu, currently Trade Minister, may also be considered for a 2009 cabinet position. Respected economist Chatib Basri might take over the Finance portfolio, but it is not clear. Current State Secretary Hatta Radjasa may move to the People's Welfare portfolio. President Yudhoyono may reward close confidantes brothers Andi and Rizal Mallarangeng for their service by awarding them the Home Minister and Communications Minister positions, respectively. (Note: a third brother, Choel Mallarangeng, ran the president's campaign.)

110. (C) Meanwhile, it seems that Hassan Wirajuda is likely to stay on as Foreign Minister, though there are some reports that he may take over as Defense Minister. Presidential advisor Dino Djala is reportedly making a play for the FM position. UN PermRep Marty Natalegawa is also believed to be in the running if Wirajuda leaves the Foreign Minister position.

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